

## SENATE BILL No. 59

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-2-22.

**Synopsis:** Income tax deduction for pension distributions. Provides an adjusted gross income tax deduction for taxable retirement plan distributions that are used to pay expenses related to losses from a severe storm, a tornado, or flooding when a disaster emergency is declared by the governor.

**Effective:** January 1, 2008 (retroactive).

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**Walker**

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January 7, 2009, read first time and referred to Committee on Tax and Fiscal Policy.

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First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

## SENATE BILL No. 59

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-3-2-22 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3 JANUARY 1, 2008 (RETROACTIVE)]: **Sec. 22. (a) As used in this**  
4 **section, "disaster area" means the geographic area with respect to**  
5 **which a disaster emergency has been declared.**

6 **(b) As used in this section, "disaster emergency" means a**  
7 **disaster emergency that has been declared by the governor under**  
8 **IC 10-14-3 by reason of a severe storm, a tornado, or flooding.**

9 **(c) As used in this section, "disaster emergency loss" means the**  
10 **loss, damage to, or destruction of real or personal property located**  
11 **in a disaster area and the loss, damage, or destruction:**

12 **(1) is a result of the severe storm, tornado, or flooding on**  
13 **which the disaster emergency is based; and**

14 **(2) constitutes a casualty loss or disaster loss under Section**  
15 **165 of the Internal Revenue Code.**

16 **(d) As used in this section, "disaster expenses" means amounts**  
17 **paid to address a disaster emergency loss. If the federal**



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government or state has prohibited the replacement of real or personal property at the location where the loss occurred, the term includes amounts paid to replace real or personal property at a different location.

(e) As used in this section, "disaster victim" means an individual who has suffered a disaster emergency loss.

(f) As used in this section, "eligible retirement plan" has the meaning set forth in Section 402(c)(8)(B) of the Internal Revenue Code.

(g) A disaster victim is entitled to a deduction from the person's adjusted gross income for the amount of any taxable eligible retirement plan distribution that is:

(1) made to the disaster victim; and

(2) used to pay disaster expenses.

SECTION 2. [EFFECTIVE JANUARY 1, 2008 (RETROACTIVE)]  
IC 6-3-2-22, as added by this act, applies to taxable years beginning after December 31, 2007.

SECTION 3. An emergency is declared for this act.

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